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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

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In re:

PERSEON CORPORATION,

Debtor.

Case No. 16-24435

Chapter 11

Honorable R. Kimball Mosier

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**NOTICE OF APPEAL**

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B.E. Capital Management Fund LP hereby appeals the *Order Granting Debtor's Motion for Entry of an Order Authorizing Debtor to Reinstate Salary Pursuant to Debtor's Employment Agreement with Clinton E. Carnell Jr.*, entered August 2, 2016, a copy of which is attached hereto, to the United States Bankruptcy Appellate Panel of the Tenth Circuit.

The names of all parties to this appeal and the names, addresses, and telephone numbers of their respective attorneys are:

Party Name	Attorney Name, Address, Telephone No.
B.E. Capital Management Fund LP	Michael Johnson David H. Leigh Ray Quinney & Nebeker P.C. 36 South State Street, Suite 1400 Salt Lake City, Utah 84111 (801) 532-1500  - and -  Jeffrey Chubak Storch Amini & Munves PC 140 East 45 <sup>th</sup> Street, 25 <sup>th</sup> Floor New York, New York 10017 (212) 490-4100
Perseon Corporation	Steven T. Waterman Jeffrey Armington Dorsey & Whitney LLP 136 South Main Street, Suite 1000 Salt Lake City, Utah 84101 (801) 933-7360

DATED this 16<sup>th</sup> day of August, 2016.

**RAY QUINNEY & NEBEKER P.C.**

/s/ Jeffrey Chubak  
Michael Johnson (A7070)  
David H. Leigh (A9433)

- and -

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*Attorneys for B.E. Capital Management Fund LP*

**This order is SIGNED.**

**Dated: August 2, 2016**



**R. KIMBALL MOSIER  
U.S. Bankruptcy Judge**



*Prepared and Submitted By:*

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

PERSEON CORPORATION,

Debtor.

Case No. 16-24435

Chapter 11

Chief Judge R. Kimball Mosier

**ORDER GRANTING DEBTOR'S MOTION FOR ENTRY OF AN ORDER  
AUTHORIZING DEBTOR TO REINSTATE SALARY PURSUANT TO DEBTOR'S  
EMPLOYMENT AGREEMENT WITH CLINTON E. CARNELL JR.**

The matter before the Court is the *Motion for Entry of an Order Authorizing Debtor to Assume Debtor's Modified Employment Agreement with Clinton E. Carnell Jr.* [Docket No. 63]

(the “Motion”).<sup>1</sup> The Motion was properly served through the Court’s CM/ECF system on all parties that receive electronic service in this case. A *Notice of Hearing* on the Motion [Docket No. 65] was served on the Debtor’s creditor matrix as set forth in the *Certificate of Service* [Docket No. 66] and no further notice of the Motion is required. On June 27, 2016, the Court entered an Order [Docket No. 64], which set a hearing on the Motion for July 12, 2016 (the “July 12 Hearing”) and established a July 11, 2016 deadline for filing responses to the Motion (the “Objection Deadline”). Objections to the Motion were filed prior to the Objection Deadline by B.E. Capital Management Fund L.P. [Docket No. 79], Paul Schwartz [Docket No. 82]; Alec Epting [Docket No. 83], and the United States Trustee [Docket No. 87] (collectively, the “Objections”). After argument at the July 12 Hearing, the Court continued the hearing on the Motion to July 19, 2016 (the “Continued Hearing”) and authorized the Debtor to supplement the Motion in advance of the Continued Hearing. On July 15, 2016, the Debtor filed an amendment to the Motion [Docket No. 104], which stated that the Debtor had considered the Objections and the Court’s comments at the July 12 Hearing and intended to seek approval from the Debtor’s board of directors (the “Board”) to reinstate Mr. Carnell’s salary effective as of the Petition Date under the original version of Mr. Carnell’s Employment Agreement without any amendment. On July 18, 2016, the Debtor filed a copy of the Board resolution [Docket No. 118], which reinstated Mr. Carnell’s salary effective as of the Petition Date.

The Court has considered the Motion, the Objections, the additional pleadings filed by the Debtor in connection with the Motion, the arguments of counsel at the July 12 Hearing and

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<sup>1</sup> Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Motion.

the Continued Hearing, and applicable law. Accordingly, and for good cause otherwise appearing,

**IT IS HEREBY ORDERED THAT:**

1. The Objections are **OVERRULED**;
2. The Debtor is authorized to reinstate Mr. Carnell's salary effective as of the Petition Date under the original version of the Employment Agreement;
3. The Debtor is authorized to pay Mr. Carnell's salary and the pro rata portion of Mr. Carnell's minimum annual bonus in periodic installments in accordance with the Debtor's customary payroll practices; and
4. The Employment Agreement is neither assumed nor rejected at this time.

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